

Item:  
Fiscal Impact: \$350,000  
Funding Source: RDA Interest Funds  
Account #: \_\_\_\_\_  
Budget Opening Required: ☐

**ISSUE:**

We are requesting approval of an Incentive Agreement between the West Valley City Redevelopment Agency (RDA) and Cummins Rocky Mountain, LLC (Cummins) that will provide an incentive for Cummins to relocate their business to 2167 South 5370 West a site in West Valley City. We are offering a total incentive amount of \$350,000.00 as a contribution amount from the RDA that would be paid out over a seven year period in increments of \$50,000.00 per year starting on December 31, 2009 and ending on December 31, 2014.

**SYNOPSIS:**

The \$350,000 incentive to be paid for the relocation of Cummins will come from interest reserves in the RDA Interest Funds. Money from interest is considered “non-increment generated” and is not restricted in its use to RDA Project Areas. The Cummins Project is not in an RDA or EDA, but will provide for general welfare of the general public.

Cummins has proposed over \$1.25 million in capital improvements to the subject property in addition to bringing in \$1.62 million in fixed assets. Based on Cummins sales projections provided by their CFO they will generate \$441,864 in direct sales tax revenue to West Valley City alone on \$78.37 million in estimated sales they will generate within the next six years.

**BACKGROUND:**

The addition of adding Cummins to this particular location will create additional synergism to the manufacturing and trucking segment of our West Valley City industrial base while providing a much needed augmentation in the area of servicing large engines, generators and other transportation needs of the industry.

**RECOMMENDATION:**

The WVC RDA Administrator recommends the WVC RDA Board awarding the above written Incentive Package to Cummins Rocky Mountain, LLC.

**SUBMITTED BY:**

Ralph K. Lee, Business Development Manager, representing the West Valley City Redevelopment Agency.